

Avoiding scams

Smart ways to protect yourself



**Money
matters**



**Age UK is the new force combining
Age Concern and Help the Aged.**

**With almost 120 years of combined
history to draw on, we are bringing
together our talents, services and
solutions to do more to enrich
the lives of people in later life.**

The new force combining

AGE and **HELPTHEAGED WE WILL**
Concern

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Introduction

No one likes to feel that they have wasted or, even worse, been conned out of their money. Unfortunately, there are plenty of situations in which you can be acting in good faith and suddenly find you've come off worse from a transaction. We use the word 'scam' to indicate a dishonest or fraudulent scheme designed to cheat someone. It could be anything from buying products or services, to making investments or becoming involved in apparently failsafe business propositions.

Fortunately, a lot of scams and bad purchases can be avoided if you know what to look for.

This guide explains the different ways you might be contacted, some of the most common schemes, and what you can do if you have fallen victim to a scam. Although this guide does not concentrate on high-street sellers, the questions it encourages you to ask are still relevant when dealing with well-known companies.

You will also find suggestions for organisations that can give further information and advice: for contact details see 'Useful organisations' (pages 18–22). Contact details for organisations near you can usually be found in your local phone book, and your local Age UK/Age Concern* should be able to help (see page 18).

The information given in this guide is applicable across the UK.

Key



This symbol indicates where information differs for Scotland, Wales and Northern Ireland.



This symbol indicates who to contact for the next steps you need to take.

*Many Age Concerns are changing their name to Age UK

Are older people at risk?

Older people can present an attractive target for scammers, not least because they are more likely to have easily accessible savings than younger people. Some older people are isolated and may not have anyone to go to for advice. Also, the older generation may be less likely to have access to the internet as a checking tool, although this is increasingly less true.

Most of us can protect ourselves from scams if we have the right information and advice.

Carers, relatives and friends

If you are concerned that someone you know is being tricked or buying unsuitable products and services, you can:

- look out for warning signs such as unusual amounts of post or evidence of large cash withdrawals
- offer advice and support – reassure the person that this is a common problem and can happen to anyone
- get help – contact one of the useful organisations listed in the back of this guide for further advice (pages 18–22).

Is it legal?

A scam can mean anything from criminal fraud to sharp, but legal, selling practices. Perhaps a more relevant question is ‘Can I get my money back?’ Whether the scheme was legal or illegal, the answer is likely to be ‘no’. Even well-known companies may direct you to the small print if you later query your position. Other, less reputable sellers may simply disappear. Depending on the circumstances, police or Trading Standards are more likely to try to prevent future scams than recover money that has been lost.

i what next?

If you are concerned about the legality of a scheme, contact Consumer Direct, the national consumer information service. In Northern Ireland, contact ConsumerLine (page 19).

Take advice

Don’t be afraid to take advice before making a decision to buy or invest. Ask your family and friends what they think. Having a website doesn’t necessarily mean that a company is reliable. What do reviews on other websites say? Similarly, do not take a seller’s claims at face value. Even legitimate companies will praise their product and downplay its limitations. Search for other opinions to get a balanced view. Alternatively, contact one of the useful organisations listed in the back of this guide (pages 18–22).

what next?

The internet can be a good way to research anything you’re unsure about. If you do not have access to the internet at home, contact your local Age UK/Age Concern for advice on computer courses and local internet facilities (page 18).

Take your time

A common feature of scams and sharp selling practices is pressure to commit yourself very quickly. You may be told that an offer is only available for a limited period, or that by signing now you will get a discount on the usual price. A genuine offer is unlikely to require you to make an instant decision.

Don’t let yourself be rushed. Take your time to decide whether the product or service, and the terms offered, are right for you. Consider whether you really want or need what is being offered. If you want to buy something expensive like double-glazing, get written quotes from several companies. And don’t sign anything until you are completely happy about it.

Be cautious if you are asked for payment before you receive any products or services. In particular, don’t make cash payments to traders that you don’t know until you are sure that the work has been carried out to your satisfaction. If you are being pressured to pay before then, contact family, friends or the police.

what next?

To find a trustworthy tradesperson, look for one recommended by the Office of Fair Trading (OFT), which will have an OFT Approved code logo. Alternatively, Trustmark or the Local Authority Assured Trader Scheme Network can help you find someone reliable. Their contact details are in the ‘Useful organisations’ section (pages 18–22).

Is it clear what is being offered?

Before buying a product or service, or making an investment, make sure you understand fully how the offer works so that you can make an informed decision. If you do not, ask yourself if you can trust the advice you receive. Does the salesperson really have your best interests in mind?

The offer may be related to a subject that is currently in the news. However, the suitability or value of a product, service or investment will still depend on its particular details. For example, even in a rising property market, the value of an individual piece of land will be heavily influenced by whether it has planning permission or not.

Consumer organisations often tell us that if something seems too good to be true, it probably is. In investments, levels of risk and return are closely linked, so beware of those that offer guaranteed high returns. It is sensible to question claims made about products before buying them. Home demonstrations – for example, of vacuum cleaners – may be designed to show the product to its best advantage. Research that appears to support claims made about food supplements or slimming aids may be selective or even invented.

what next?

Always consider taking independent financial advice before making financial investments. For more details see 'Bad investments' (page 15).

Checking companies' credentials

Before you commit to buying anything, be sure that you have enough information about the seller. It is worth checking the following points, particularly if you have not heard of the company before.

- Do you have a contact number and does it work? Be wary if the only number you have is for a mobile phone (numbers that begin '07...'). (See page 14 for more on telephone selling.)
- Do you have a postal address for the company? Be cautious if it uses only a PO Box number.
- Is the company based overseas? If so, the usual consumer rights may not apply or could be very difficult to enforce.
- Is the company or individual properly regulated, or a member of a trade association? Check any claims made with the body concerned.
- Remember that it is easy to have business cards, stationery and websites made up. Do not judge by appearances alone.
- Can you find any independent information about the seller?

what next?

Local community websites can be a useful source of information and recommendations. Contact Consumer Direct (ConsumerLine in Northern Ireland) for further information on checking companies' credentials (page 19).



In your home: rogue traders

Doorstep selling can present a number of risks – for example, dishonest tradespeople may offer to carry out unnecessary works to a poor standard at inflated prices. It is wiser never to buy anything from callers that you have not bought from before (and know to be reliable). You could put up a notice to say that you do not buy on the doorstep.

Pushy and persuasive salespeople may offer what seem to be large discounts, time-limited offers, or just refuse to take no for an answer. These selling techniques can be difficult to resist: the best defence is not to expose yourself to them.

Remember that even if you sign a contract for a purchase above £35 from a seller in your home, in most cases you have at least seven days to change your mind (the ‘cooling-off’ period). Even if you invited the salesperson into your home.

Your consumer rights may not be much use if you can’t trace the seller. Don’t be pressured into making any payments – particularly in cash – or signing documents until you’ve had a chance to think about things, or discuss it with family or friends. A reputable company will not try to force you into an instant decision.

what next?

See our free guide *Staying safe* for more information about rogue traders. For information about your consumer rights, contact Consumer Direct (ConsumerLine in Northern Ireland) (page 19) or your local Citizens Advice Bureau (page 19).



In your home: bogus callers

Bogus callers are people who try to con their way into your home to steal, or trick you out of money. They might pretend to be an official from a gas or electricity company, or a salesperson. It may even just be someone with a hard luck story claiming to need to borrow a few pounds, or wanting to use your telephone in an emergency.

If you are not expecting a visitor:

- find out who is outside before you answer the door by using a spy-hole or looking through a window
- if you do not recognise the caller, put the security chain on before you open the door
- ask to see identification and examine it carefully, or you can ask them to post proof of identity through your letter-box
- if you are still unsure, telephone the organisation they say they are from – get the number from a bill or your phone book rather than ringing the number they give you, which could be answered by an accomplice
- alternatively, ask them to come back at another time when someone will be with you, or tell them to write to you to arrange an appointment.

Remember, you do not have to let any stranger into your home. If you are suspicious or the caller will not leave, dial 999 and ask for the police.

what next?

Our free guide *Staying safe* has more information about safety at the door.

Direct mail scams

Receiving unsolicited offers of products and services through the post can be irritating, and often puzzling. However, this ‘junk mail’ can cause problems for vulnerable people who are unable to judge the products being offered.

Direct marketing companies in the UK are required to follow certain rules. By registering with the Mailing Preference Service (page 20) you can have your name taken off most direct mailing lists, although the service does not cover mail that is unaddressed, addressed to ‘The Occupier’ or originated overseas. Once you are registered, reputable marketing companies should not contact you, so you might want to ignore any that continue to do so.

Unfortunately, many scammers and criminals also use letters to contact potential victims. Some common types of direct mail scams are listed on page 11. Many direct mail scammers are based overseas, so they are unregulated and largely beyond the reach of UK authorities. If you receive a direct mail invitation of this kind, ignore it and throw it away. Never reply to these letters. If you do, your details could be circulated to others running similar schemes, and you could end up being bombarded with scam mail.

what next?

Contact the Mailing Preference Service (page 20) to have your name taken off direct mailing lists in the UK. Details of overseas scams can be sent to the Office of Fair Trading or Trading Standards (page 21) to help their investigations.

Common direct mail scams

The following are common types of direct mail scams.

- **Lotteries/prize draws** You may be told you have won a large sum of money or a prize and asked to pay an administration fee before you can collect it. The prize is either non-existent or worth very little. You might be asked for further payments before this becomes clear.
- **Psychics and clairvoyants** may claim to have seen something in your future and ask for money to disclose what it is.
- **Pyramid schemes** can take the form of chain letters or selling schemes. The former can be illegal. In either case, you may be encouraged to send money to the person who has contacted you, either through the promise of great rewards, or by threats about what might happen if the chain is broken.
- All kinds of products may be sold on the basis of **unrealistic claims** about their usefulness or value. These products often turn out to be of a far lower quality than the original claims suggested. Miracle health cures are a good example of the kind of unrealistic claims made about products. Many of these medicines have not been properly tested and could even be harmful. Consult a medical practitioner before you buy any medicinal products.

Don't fall for fraudsters who tell you not to tell anyone about their letter. No reputable organisation would ask you to do this.

Email scams

Email offers a cheap way of reaching large numbers of people for very little cost, so it's popular for both honest and dishonest purposes. Unsolicited bulk emails – generally known as spam – are generated in huge quantities. These can usually be spotted because you have not requested or agreed to the contact, and the message contains nothing that is specific to you personally.

Bulk emails can be used by fraudsters to attract victims. The best-known type of email scam is called 'advance fee' fraud. This takes different forms, but commonly the initial email explains that the sender has money or something valuable and needs help to move it, often from one country to another, in return for a fee. Once involved, victims are persuaded to make a payment to help the transaction along. The promised large reward never appears. Alternatively, victims are asked to provide their bank details. These are then used to remove money from their account. As with other scams, once you have paid you will be encouraged to make further payments.

what next?

Most email accounts can be set to block email spam: check your settings. If you do receive a scam email, forward it to the fraud department of the email provider hosting the scammer's account (for example, abuse@yahoo.com, gmail-abuse@google.com, report_spam@hotmail.com) requesting that the account be closed.

Identity theft

You might receive emails or telephone calls claiming to be from your bank or another financial institution, asking you to confirm your account details or other personal information. These are always fake and if you disclose the information it may be used to raid your accounts. Banks and institutions such as the tax authorities will never ask you for your PIN (Personal Identification Number), password or other security information in full.

If you are concerned about emails or calls claiming to be from your bank, contact your bank to discuss but make sure you use the contact details you received when you opened your account.

Other ways you can reduce the risk of identity theft:

- keep your personal documents safe and report missing passports or driving licences as soon as possible
- cancel any lost or stolen bank cards immediately
- avoid obvious passwords such as your mother's maiden name
- keep passwords and PIN numbers safe – don't write them down and don't disclose them to anyone
- shred documents such as bank statements, receipts and card slips before you throw them away
- check statements regularly for transactions that you do not recognise
- ensure your computer has up-to-date security software
- have your post redirected when you move house
- check your personal credit file on a regular basis
- visit the Home Office website www.identitytheft.org.uk for further information on how to prevent identity theft, including how to check your personal credit file.

Telephone selling

Unsolicited telephone calls are used by both genuine and fraudulent businesses to reach new customers. Many people find them irritating and would rather not receive them. The Telephone Preference Service (TPS) is a free register that allows you to opt out of receiving unsolicited sales and marketing calls. Registering with the TPS should greatly reduce these calls but you may still get some, particularly from overseas companies.

Be wary of calls from companies that you've had no previous dealings with. Don't be afraid to put the phone down or end the call with a brief 'No, thank you'. The caller will probably expect, and be used to, a high proportion of calls ending in this way.

Pressure selling by telephone of dubious financial investments – by so-called 'boiler room' operations – is also a recognised problem. Check whether companies are authorised by the Financial Services Authority (page 20). You can find out more about bad investments on page 15.

Be aware that telephone numbers are not always what they seem. Today's communications technology means that calls with a geographical area code may not have come from that area.

If a caller gives you a number to call back, this still doesn't necessarily mean that the company is genuine. Try to find information about the company from an independent source. Avoid calling numbers that begin '09' as these are charged at premium rates.

**what
next?**

Contact the Telephone Preference Service (page 21) for details of how to register.

Bad investments

Financial investments are complicated and most of us need advice on the best way to manage them. There are plenty of unscrupulous sellers who try to exploit this. Before making investments take the following points into account.

- Make sure the company you are dealing with is authorised by the Financial Services Authority (FSA) (page 20): contact the FSA to check the company's status. Avoid companies that are not authorised.
- Be wary of dealing with companies that are based overseas. They may be located there to avoid regulatory requirements.
- Seek independent advice. Be clear about how your adviser benefits from the process.
- You may be encouraged to buy legitimate products that are overvalued – for example, shares that exist but have little or no resale value.
- Don't be pressured into making a quick decision.
- Don't buy 'off the page' from newspaper adverts or marketing leaflets unless you are sure they are genuine. You will have less protection than if you buy after taking advice.
- Listen to your doubts. If you think the offer sounds too good to be true, you may well be right.

**what
next?**

Contact the FSA for advice about choosing a financial adviser (see page 20).

Scams checklist

If an exciting offer seems too good to be true, think about the following warning signs and ask yourself if it is a scam:

- Was the offer unsolicited?
- Do you have to respond quickly? What's the rush?
- Do you have to pay for a prize or 'free' gift?
- Do you have to ring a premium rate number (one starting with '09')?
- Are you being asked for your bank or credit card details?
- Is the business reluctant to give you its address or contact details?
- Are you being asked to keep the offer confidential?

There's nothing wrong with being sceptical – especially before signing anything or handing over any money.

If the worst happens and you are a victim of a scam, or if you want advice on how to protect yourself, contact Action Fraud for help (see page 19).

what next?

If you answer 'yes' to any of the above points, contact Consumer Direct (ConsumerLine in Northern Ireland) to report the offer as a scam (page 19). For more information on scams, see our book *How to avoid scams*.



My story

'I contacted Trading Standards afterwards and they said you should never use firms who cold call offering to do your drive or roof.'



Janet was recently visited by two men who offered to resurface her driveway.

'I answered the door and the older of the men explained that they'd been driving past and saw my drive needed some work doing on it. I couldn't see anything much wrong with it but they made it sound quite urgent. I asked for a business card but the one they gave me only had a mobile number on it and no address. I remembered I'd seen a story in the local paper about dishonest workmen charging as much as ten times their original estimate and driving one man to his building society to get the money out.

I said I'd have to think about it and that my daughter was coming round later so I'd talk about it with her. I contacted Trading Standards afterwards and they said you should never use firms who cold call offering to do your drive or roof.'

She also told us:

'My neighbour received a letter from Holland saying that she'd won a lottery prize. She wrote back to say she didn't see how, as she'd never entered anything. That just seemed to encourage them and now she gets quite a few letters. Best to throw anything like that straight in the bin.'

Useful organisations

Age UK

Age UK is the new force combining Age Concern and Help the Aged. We provide advice and information for people in later life through our Age UK Advice line, publications and online.

Age UK Advice: 0800 169 65 65
www.ageuk.org.uk

In Wales, contact

Age Cymru: 0800 169 65 65
www.agecymru.org.uk

In Scotland, contact

Age Scotland: 0845 125 9732
www.agescotland.org.uk

In Northern Ireland, contact

Age NI: 0808 808 7575
www.ageni.org.uk

Action Fraud

National helpline that gives advice on issues about fraud, both preventing it and what to do if you fall victim to it.

Tel: 0300 123 2040 (national rate)
www.actionfraud.org.uk

Citizens Advice Bureau (CAB)

National network of free advice centres. For details of your local CAB call 020 7833 2181 (this number gives local contact details only, not advice).

www.citizensadvice.org.uk for local CAB details
www.adviceguide.org.uk for online information

Consumer Direct

Government-funded service providing practical consumer advice.

Tel: 08454 04 05 06
www.consumerdirect.gov.uk

ConsumerLine

Free consumer help and advice for people in Northern Ireland.

Tel: 0845 600 6262 (lo-call rate)
www.consumerline.org

Financial Services Authority (FSA)

The FSA provides information on how to find and choose a financial adviser and can confirm whether your adviser is authorised. It also produces a wide range of materials on finance-related matters.

25 The North Colonnade
Canary Wharf
London E14 5HS

Consumer Helpline: 0300 500 5000
Northern Ireland: 0845 606 1234
www.fsa.gov.uk

Mailing Preference Service (MPS)

Free register for individuals who do not want to receive unsolicited sales and marketing contacts by post.

DMA House
70 Margaret Street
London W1W 8SS

MPS registration line: 0845 703 4599
www.mpsonline.org.uk

Office of Fair Trading

Promotes and protects consumer rights in various markets. Links to Consumer Direct. Provides more information about the Local Authority Assured Trader Scheme Network. Search for OFT consumer-approved code businesses in your area at www.offt.gov.uk/codes or by calling 020 7211 8987.

Fleetbank House
2–6 Salisbury Square
London EC4Y 8JX

Tel: 08457 22 44 99
www.offt.gov.uk

Telephone Preference Service (TPS)

Free register for individuals who do not want to receive unsolicited sales and marketing telephone calls.

DMA House
70 Margaret Street
London W1W 8SS

TPS registration line: 0845 070 0707
www.tpsonline.org.uk

Trading Standards

Consumer information, free advice leaflets and information about your local Trading Standards offices.

www.tradingstandards.gov.uk

TrustMark

Helps you find a reliable, trustworthy tradesperson.

Tel: 01344 630 804

www.trustmark.org.uk

Can you help Age UK?

Please complete the donation form below with a gift of whatever you can afford and return to: Age UK, FREEPOST LON13041, PO Box 203, London N1 9BR. Alternatively, you can phone 0800 169 80 80 or visit www.ageuk.org.uk/donate. Thank you.

Personal details

Title:	Initials:	Surname:
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Address:
Postcode:

Tel:	Email:
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By providing your email address and/or mobile number you are agreeing to us contacting you in these ways. You may contact us at any time to unsubscribe from our communications.

Your gift

I would like to make a gift of: £

I enclose a cheque/postal order made payable to Age UK

Card payment

I wish to pay by (please tick) MasterCard Visa CAF CharityCard
 Maestro American Express

(Maestro only)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Signature X
Expiry date	<input type="text"/>	/	<input type="text"/>	Issue no. (Maestro only)	<input type="text"/>	

Gift Aid declaration

(please tick) Yes, I want Age UK and its partner organisations* to treat all donations I have made for the four years prior to this year, and all donations I make from the date of this declaration until I notify you otherwise, as gift aid donations. I confirm I pay an amount of income tax and/or capital gains tax at least equal to the tax that the charity will reclaim on my donations in the tax year. Date: ___/___/___ (please complete). *Age Cymru, Age Scotland and Age NI



We will use the information you have supplied to communicate with you in line with Data Protection guidelines. Age UK (registered charity no 1128267) comprises the Charity, its group of companies and national partners (Age Cymru, Age Scotland and Age NI). If you would prefer not to hear from them or carefully selected third parties, let us know by phoning 0800 107 8977.

Age UK publishes a range of books on issues relevant to people as they get older. Browse our online bookshop at www.ageuk.org.uk/bookshop

How to avoid scams

Tony Levene

Tony Levene, is a financial journalist who has written for the *Guardian* Money Supplement Here, he fills you in on:

- how to spot a scam
- letter scams
- lottery scams
- internet scams
- investment and property fraud
- what to do if you've been scammed.

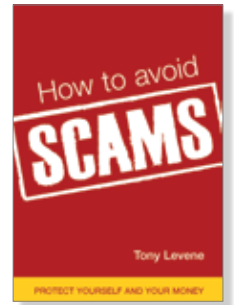
Paperback £9.99

Manage money online

Jennifer Bailey

Many of the best financial deals are available online – if you don't use the internet, you can't benefit from them. This book explains how to get the most out of the World Wide Web while staying safe online.

Paperback £5.99



What should I do now?

For more information on the issues covered in this guide, or to order any of our publications, please call Age UK Advice free on **0800 169 65 65** or visit www.ageuk.org.uk/moneymatters

Our publications are also available in large print and audio formats.

The following Age UK information guides may be useful:

- *Staying safe*
- *Home safety checker*
- *Going solo*

Age UK offers a wide range of products and services specially designed for people in later life, for more information, please call **0800 169 18 19**.

If contact details for your local Age UK/Age Concern* are not in the box below, call Age UK Advice free on **0800 169 65 65**.



*Many Age Concerns are changing their name to Age UK

Age UK is a registered charity (number 1128267) and company limited by guarantee (number 6825798). The registered address is 207-221 Pentonville Road, London N1 9UZ. VAT number: 564559800. Age Concern England (charity number 261794) and Help the Aged (charity number 272786) and their trading and other associated companies merged on 1 April 2009. Together they have formed Age UK, a single charity dedicated to improving the lives of people in later life. Age Concern and Help the Aged are brands of Age UK. The three national Age Concerns in Scotland, Northern Ireland and Wales have also merged with Help the Aged in these nations to form three registered charities: Age Scotland, Age NI, Age Cymru. ID8670